

Completing the FY2013 Massachusetts School Building Authority Estimated Receipts Worksheet

Please review IGR 08-102 (which supercedes IGR 06-101) on this matter.

All cities and towns scheduled to receive payment from the Massachusetts School Building Authority (MSBA) must complete this worksheet for Tax Rate or Pro Forma Recap approval purposes and for proper reporting on Form DE-1, if applicable.

This worksheet will help determine the amount to be shown on the Tax Rate or Pro Forma Recap, page 2, part IIIA, line 2 and if applicable in column (H) of Form DE-1. For Form DE-1 purposes, enter the excludable portion of the amount reported on the worksheet if the full amount is not being used as indicated in these instructions.

To complete this worksheet, use:

- information provided by the MSBA's website at www.mass.gov/msba;
- the Authority's grant approval notification letter(s) or other similar notifications sent to your community or district regarding Wait List Annual Payments, Lump Sum or Progress Payments;
- the comment line for explanation (e.g., using lesser estimate).

We encourage cities and towns to become familiar with reimbursements by project and audit tracking to properly estimate future receipts. MSBA will adjust payments downward in FY2015 if required based on audit results or upward in FY2014 if requested by the city, town or district. Please consult with MSBA if necessary. Any upward adjustment needs written confirmation from the Authority to be used on the FY2014 Recap.

Regional School Districts (RSDs) should complete, but do not have to return, this worksheet. **However, they should be aware that the requirements detailed below apply to them as noted unless otherwise directed by the RSD agreement. Please notify the Bureau immediately in that instance.** The Bureau advises RSDs to keep their member communities informed on any impact to capital assessments.

Supplemental pages of this worksheet are included at the end if needed. Use the amount from an approved Form DE-3 in place of current debt service on Form DE-1.

Enter the community's name, submitted by and title in the areas provided and continue. The worksheet should be submitted by the CFO, Treasurer or Accounting Officer.

Parts A and B:

- A. Prior Grant Payments for Audited Projects
- B. Prior Grant Payments for Non-Audited Projects

Use amounts from the MSBA's website. For cities, towns and RSDs, Prior Grant Payments are reported in the General Fund and are typically used to reduce debt service when long-term debt has already been issued. These payments are shown on the Tax Rate Recap, page 2, part IIIA, line 2 as MSBA estimates or as a reduction to the RSD's capital assessment. If applicable, they are then shown in column (H) of Form DE-1 as reimbursements that reduce the final debt exclusion. For RSD projects, if the amount has been reduced from the assessment, no adjustment to Form DE-1 is needed.

If payments are being applied inconsistent with these instructions, please contact your Bureau of Accounts field representative.

Parts C and D:

- C. Wait List Annual Payments for Audited Projects:
- D. Wait List Annual Payments for Non-Audited Projects:

Use amounts from the MSBA's grant approval notification letter(s) and/or website. For cities, towns, and RSDs, these payments are reported in the General Fund and are typically used to pay debt service when long-term debt has already been issued. These payments or notifications must be shown on the Tax Rate Recap, RSD assessment and on Form DE-1 as are Prior Grant Payments noted above in Parts A and B.

If any Wait List Annual Payment amount was not used on the FY2014 Tax Rate Recap and Form DE-1 (or FY2012 RSD assessment), the unused amount must be reserved and applied in FY2015 (along with the FY2014 amount) if there is a debt exclusion associated with the project. *If there is no such debt exclusion, the amount must be closed to the General Fund on June 30th.*

If payments are being applied inconsistent with these instructions, please contact your Bureau of Accounts field representative.

Parts E and F:

E. Lump Sum Payment for Audited Projects:

F. Lump Sum Payment for Non-Audited Projects:

Use amounts from the Authority's grant approval notification letter(s) and/or website. For cities, towns, and RSDs, these payments are reported in the Capital Projects Fund until completion of the project, are typically used in full to reduce outstanding Bond Anticipation Notes (BANs) and except for a reimbursement (see below) are not shown on the Tax Rate Recap or Form DE-1. These payments are typically 75% of the eligible project cost, with 25% held pending audit.

If a Lump Sum Payment includes a reimbursement for current and/or prior fiscal year principal and interest paid on the project from the General Fund, the reimbursement is calculated as:

$$\begin{array}{c} \text{principal and/or interest paid for the project} \\ \text{for current and all prior fiscal years} \\ \times \\ \text{the project's reimbursement percentage} \end{array}$$

The reimbursement may then be:

- used to pay down project BANs without appropriation;
- amortized with a Payment balance to pay down long term debt without appropriation;
- a Miscellaneous Non-Recurring estimated receipt on the Tax Rate Recap if notification of the Payment is before tax rate setting (or as an estimated receipt to reduce the RSD assessment if before the annual assessment, see Note below);
- reserved for future appropriation for any lawful purpose;
- closed to the General Fund.

A debt exclusion for the project will require reservation of the reimbursement and application on the Tax Rate Recap and DE-1 forms.

The balance of the Lump Sum Payment must be reserved if there is either long term debt and/or a debt exclusion associated with the project and applied consistent with IGR 08-102. Annual appropriation for the reservation is not required. If not appropriated, the amount is shown as a Miscellaneous Non-Recurring estimated receipt on the Tax Rate Recap (or as an amount to reduce the assessment for an RSD) and applied on Form DE-1 if applicable. A reservation for this purpose less than one-quarter of one percent (.0025) of the prior fiscal year's gross budget at the time of receipt may be applied in full.

Note: RSDs may use this revenue source to increase the RSD budget only after approval of its members as part of the district's budget process. They may decrease members' assessments without need for their approval. M.G.L. Ch. 71 §16B. para (9).

If payments are being applied inconsistent with these instructions, please contact your Bureau of Accounts field representative.

Part G:

G. Progress Payment Claims to Date:

Use amounts of Progress Payments already made from the Authority's grant approval notification letter(s) and/or from other Authority notifications. For cities, towns, and RSDs, these payments are reimbursements reported in the Capital Projects Fund until completion of the project and are typically used in full to pay vendors, to reimburse the General Fund if internal borrowing is used or to pay down temporary debt. Generally, Progress Payments do not reimburse for short term interest. Reimbursements are made monthly by the Authority based upon submitted claims up to 95% of claims (5% held pending audit) and only General Fund reimbursements may be shown on the Tax Rate Recap or Form DE-1 as indicated in Parts E and F above.

If payments are being applied inconsistent with these instructions, please contact your Bureau of Accounts field representative.